



Illinois Department of Financial and  
Professional Regulation  
Division of Insurance

# NEWS

---

FOR IMMEDIATE RELEASE  
August 17, 2004

Contact: Clare Thorpe  
Phone: 217-785-2903  
Cell: 217-836-5168

## **Insurance Complaints Drop for Third Straight Year**

SPRINGFIELD - Illinois consumers filed fewer complaints about their insurance companies and HMOs in 2003, according to consumer complaint statistics released today by the Illinois Department of Financial and Professional Regulation (IDFPR).

Over the last three years, total complaints against health maintenance organizations dropped by 17%, from 1,430 complaints in 2001 to 1,185 in 2003. The decrease in HMO complaints may be attributed to the fact that HMO enrollment has steadily decreased over the last several years. From 2002 to 2003, HMO enrollment declined approximately 7%. Over the last five years, HMO enrollment has decreased almost 28%. In addition to HMO complaints, other types of coverages have experienced a decrease in complaints: individual life (-11%); individual annuity (-5%); individual accident and health (-9%); group accident and health (-16%); and group credit accident and health (-19%).

For the second year, however, homeowners insurance complaints increased significantly. In 2003, as in 2002, homeowner insurance complaints increased by 16%, from 1,462 in 2002 to 1,692 in 2003. The bulk of this increase occurred in complaints against companies' underwriting practices, which increased from 678 complaints in 2002 to 851 complaints in 2003, a 26% increase.

"While this trend is unfortunate," said Acting Director Deirdre Manna, Division of Insurance, "we continue to believe the increase in complaints is reflective of numerous

marketplace trends that have affected the insurance industry. Various economic trends and several years of significant weather-related losses have resulted in insurers using more selective underwriting criteria."

Automobile complaints also witnessed a significant increase in 2003. The rise in auto complaints, from 3,885 in 2002 to 4,227 in 2003, represents a 9% increase. The majority of this increase was due to an 11% increase in the number of auto claim handling complaints. In contrast, the number of auto underwriting complaints actually witnessed a slight decline from 2002 to 2003.

The Division of Insurance investigated 11,762 written complaints against insurance companies in 2003 compared to 12,019 in 2002 and 12,269 in 2001, an overall decrease of 4% over the three years.

For a copy of this report, visit the IDFPR Web site at [www.idfpr.com](http://www.idfpr.com). Illinois consumers may contact the IDFPR, Division of Insurance, by calling the Consumer Assistance Hotline toll-free at 866-445-5364 or the Office of Consumer Health Insurance toll-free at 877-527-9431.

# # #